# DOUNTY COUNCIL

OF

## HARFORD COUNTY, MARYLAND

BILL NO. 74-46 (as amended)

John Wolsh
Introduced by Councilman John Walsh
Legislative Day No. 74-31 Date: SEPTEMBER 10, 1974
AN ACT to add new Chapter 6, heading "Businesses", to the Harford Count
Code to Provide a chapter of laws which will govern businesses
within Harford County, Maryland; and to enact new Article 6,
heading "Community Antenna Television" to be added to Chapter 6
of the Harford County Code, said Article 6 to provide the County
Council and the Gounty Executive with the authorization to grant
a franchise or franchises for the construction and operation of
community antenna, cable television and cable communication
systems, and to provide for the regulation and control of such
a system or systems within Harford County.
By the Council, SEPTEMBER 10, 1974
Introduced, read first time, ordered posted and public hearing schedule
on: OCTOBER 8, 1974
at: 6:30 P.M.
By Order: Angela Markowske, Secretary
PUBLIC HEARING
Having been posted and Notice of time and place
of hearing and Title of Bill having been published according to the
Charter, a public hearing was held on OCTOBER 8, 1974
and concluded on OCTOBER 24, 1974

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WHEREAS, Community Antenna Television (CATV) is  $_2\|$  available in some areas of the State of Maryland for use  $_{\mathbf{3}}\|$  by the public by means of transmitting audio and visual TV Signals and radio signals by cable; and

WHEREAS, the growth and acceptance of cable transmission 6 technology indicates that many public benefits are available 7 for the benefits of the citizens of Harford County; and

WHEREAS, the Harford County Council deems it to be in the best interests and general welfare of the citizens 10 of Harford County to provide for the granting of CATV franchises 11 in conformity with the Charter of Harford County, Maryland 12 and Article 25A (Section 5B) of the Annotated Code of Maryland.

NOW, THEREFORE,

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14 || Section 1. Be It Enacted By The County Council Of Harford 15 County, Maryland, that new Chapter 6 of the Harford County 16 Code (1974), heading, "Businesses", be, and it is hereby, 17 | added to the Harford County Code, and that Article 6 heading, 18 "Community Antenna Television", be, and it is, hereby, added 19 to said Chapter 6 of the Harford County Code, all to read 20 as follows:

21 ARTICLE 6. COMMUNITY ANTENNA TELEVISION Section 6.1. Authority of County Council.

The County Council of Harford County subject to final approval of the County Executive as hereinafter set forth isphereby authorized and empowered to issue a franchise or 25 26 | franchises for the construction and operation of Community 27 Antenna Television (CATV) systems as defined by this Article, 28 and to regulate said systems consistent with the terms of this Article and any other applicable laws or regulations.

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shall have the following meanings:

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- "Council" shall mean the County Council of Harford County, Maryland.
- "County" shall mean Harford County, Maryland, a body corporate and politic, or the geographical area comprising 6 Harford County, Maryland, or both, as the context requires.
- (3) "Community Antenna Television (CATV) system" shall mean any facility which, in whole or in part, (1) receives directly or indirectly over-the-air television signals and distributes such signals by wire or cable to subscribing members of the public or to public or quasi-public facilities or buildings without 12 charge and/or (2) originates and/or carries non-broadcast programming and/or (3) provides a variety of other communication services, directly or indirectly by wire, to subscribing members of the public or to public or quasi-public facilities or buildings without charge.
- "Street"shall mean the streets, avenues, highways, (4) 18 parkways, concourses, boulevards, bridges, viaducts, tunnels, or any other property to which the County has title and can grant a franchise for the use thereof under State or County law.
  - "Persons" shall mean any person, firm, partnership, corporation, association, and/or any other legal entity.
  - "Franchisee" or "Company" shall mean the person (6) that is awarded a franchise, by the Council, to construct and operate a CATV system in accordance with the provisions of applicable law, within Harford County, Maryland.
  - (7) "FCC" shall mean the Federal Communication Commission as presently constituted by the United States Congress, or any successor agency.

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- (9) "System" shall mean the specific CATV system, as referred to above, that is proposed to be or is ultimately constructed, operated, and maintained, by the franchisee, in Harford County.
- "Applicant" means the person, firm, corporation, proprietorship, or other legal entity that files an application 7 for the CATV franchise to serve Harford County.
- "Application" shall mean, (1) all written (11) $9 \parallel$  materials that are filed by, or on behalf of, any applicant with 10 | the Granting Authority, (2) all oral representations that are 11 made at any public or private hearings that are conducted 12 by the Granting Authority or its duly authorized personnel |13| and, (3) both the letter and intent of all such written and oral presentations from the applicant.
- "Franchise" shall mean the grant of a non-(12)exclusive right to construct and operate a CATV system in 17 | Harford County, Maryland, as the same is defined by this Article.
- (13) "Procedures" shall mean the methods by which the 19 Granting Authority will analyze, evaluate, grade and otherwise premise its ultimate decision to grant or deny any CATV application.
  - (14) "Executive" shall mean the County Executive of Harford County, Maryland.
  - (15) "Gross subscriber revenues" shall mean only those revenues derived from the monthly service charge fees paid by subscribers for regular cable television including the transmission of broadcast signals and access and originations channels, if any. As specified by the Federal Communications Commission (ECC) gross subscriber revenues shall not include any revenues

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other communications and non-broadcast services either directly or as a carrier for another party, or any other income derived from the system.

- "Basic Service" shall mean the simultaneous (16) delivery by the Company to the television receivers (or any other suitable type of audio-video communications receivers), of all residential subscribers and to public or quasi-public facilities or buildings without charge, in the County of all signals that are received from broadcast stations and carried consistent with the CATV Rules and Regulations of the FCC; the channels on which the Company originates the programming; the channels on which the County, School System or members of the public originate programming.
- "Additional Service" shall mean any communications (17)service other than the Basic Service that the Company or persons not related to the Company provide over its System, including, but not limited to, data transmissions, facsimile reproduction, meter reading, fire and burglar alarm services, and the like.
- "Residential Subscriber" shall mean a purchaser of any service that the Company delivers to an individual dwelling unit, provided that that service is not utilized in connection with a business, trade, profession.
- (19) "Channel" shall mean a band of frequencies that is six megahertz wide, in the electromagnetic spectrum, which is capable of carrying either one audio-video television signal and a number of non-video signals, or several thousand non-video signals
- "Company Channel" shall mean those channels that are reserved or are available for the carriage of programming

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(22) "Educational Channel" shall mean the channel(s) that
are used, or are reserved for use, by the School System, public or
private, in Harford County, including, but not limited to colleges
universities and libraries.
(23) "Public Channel" shall mean the channel(s) that are

- used, or are reserved for use, by persons or other members of the 7 public, either at no charge or upon the effectuation of a lease arrangement with the Company.
- (24) "Additional Channels" shall mean those channels not 10 | included in the above definitions.
- (25) "MONITORING" SHALL MEAN OBSERVING A ONE-WAY 12 COMMUNICATION SIGNAL, OR THE ABSENCE OF A SIGNAL, WHERE THE 13 OBSERVER IS NEITHER THETSUBSCRIBER NOR THE PROGRAMMER, WHEN THE 14 SIGNAL IS OBSERVED BY VISUAL OR ELECTRONIC MEANS, FOR ANY PURPOSE 15 WHATSOEVER.
- (26) ""TAPPING" SHALL MEAN OBSERVING TWO-WAY COMMUNICA-TION SIGNAL EXCHANGE, WHERE THE OBSERVER IS NEITHER OF THE 18 COMMUNICATING PARTIES, WHETHER THE COMMUNICATION SIGNAL EXCHANGE IS OBSERVED BY VISUAL OR ELECTRONIC MEANS FOR ANY PURPOSE WHATSOEVER.
- Section 6.3. Non-Exclusive Franchise. 21 🛚

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- (a) The Granting Authority shall grant the Company a 23 | non-exclusive franchise to construct, erect, operate and maintain a CATV System, in, upon, along, across, over and under the County 25 | owned streets and all extensions thereof and additions thereto 26 and other places defined and limited by this Article.
- (b) The franchise shall become effective on the date on which the Granting Authority notifies the Company that the 28 franchise has been awarded pursuant to this Act and in conformance

to continue operations for a further ten year period subject to the approval of the Granting Authority, such approval shall not be arbitrarily withheld. THE FRANCHISE SHALL BE SUBJECT TO RENEWAL FOR A PERIOD OF TEN (10) YEARS\* DURATION ON THE SAME TERMS OR CONDITIONS AS CONTAINED HEREIN, OR ON SUCH DIFFERENT OR ADDITIONAL TERMS AND CONDITIONS AS MAY BE LAWFULLY SPECIFIED BY THE GRANTING AUTHORITY AND AS ARE CONSISTENT WITH THE REQUIRE-MENTS OF THE FEDERAL COMMUNICATIONS COMMISSION. NO RENEWAL HEREOF SHALL BE GRANTED UNLESS AUTHORIZED BY THE COUNCIL FOLLOWING AN APPROPRIATE PUBLIC PROCEEDING INVOLVING PUBLIC NOTICE AND AN OPPORTUNITY FOR INTERESTED PARTIES TO PARTICIPATE DURING WHICH 12 | PROCEEDING CORPORATION'S PAST PERFORMANCE, THE ADEQUACY OF THE 13 PROVISIONS OF THE EXPIRING FRANCHISE AND THE CONSISTENCY OF SUCH PROVISIONS WITH APPLICABLE STANDARDS OF THE FEDERAL COMMUNICATIONS 14 || 15 COMMISSION HAVE BEEN CONSIDERED.

(c) Nothing in this Article or a grant of a franchise 17 shall be construed as a waiver of the County's right to require any person, other than the Company utilizing the System, 19 to secure the Granting Authority's consent prior to such 20 utilization.

21 | Section 6.4. Franchise Required.

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It shall be unlawful to commence, continue, or 23 engage in construction and/or operation of a CATV system, 24 | in Harford County, Maryland, without a franchise that has been awarded pursuant to the terms and provisions of this Article.

Section 6.5. Methods for Solicitation of Applications.

The Granting Authority, having been apprised of the interest of the residents of Harford County in providing

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County Council. Appropriate instructions, notices, application forms and other materials can be obtained by any interested party from the Secretary of the County Council of Harford County. Section 6.6. Procedures for Acceptance and Processing of CATV Applications.

- Time: In the submission or presentation of written and/or oral materials by the applicants, time shall be considered to be of the essence.
- (b) Major Amendments: To prevent applicants from delaying the Granting Authority's consideration, analysis, and action on applications, applicants will not be permitted to make major amendments; that is, to materially alter corporate structure technical proposal, or the program proposal of the application. Equity and fair treatment of all applicants require that the Granting Authority cause each applicant to state its case on specific dates and not to permit tardy applicants to strengthen their applications by filing materials after the due dates.
- Amendments to Financial Proposals: Consistent with the long established comparative hearing practices of the FCC, amendments to the financial proposals may be made by an applicant, at any time, during the course of the proceedings.
- (d) Procedures in Brief: The procedures for processing all CATV applications, in brief are as follows:
- All applicants must file and deliver to the County Council of Harford County formal written applications, consistent with the County's form for same on or before a date or dates fixed by the County Council.
- All applicants must attend any and all hearings ngs by the Granting Authority and must respond to

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application. All meetings and hearings will be held, on the CATV applications within sixty (60) days from the date of the filing of such applications and all applicants will be given not less than ten (10) days' advance notice, in 5 | writing, of all such meetings and hearings.

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(3) The Granting Authority will render a final 7 decision on the said CATV applications, denying all applications or granting one or more application(s) and denying the others. on or before sixty (60) days from the date of the final hearing 10 on the applications.

(4)-The Gounty Gouncil shall within ten (10) days 12 of their decision send a copy of their decision and the applica-13 | tiens to the County Executive-for his final approval or disappro-The County Executive shall act upon the applications 15 | within sixty (60) days of receipt of the Gouncil's decision. 16 Ne application shall be considered final until the County Executive. renders his deeisien-

(4) WITHIN TEN (10) DAYS OF THEIR FINAL DECISION, THE 19 COUNTY COUNCIL SHALL INTRODUCE A BILL, PURSUANT TO SECTION 218 OF THE CHARTER OF HARFORD COUNTY, MARYLAND, SETTING FORTH THEREIN THE NAME OF THE APPLICANT GRANTED A NON-EXCLUSIVE CATV FRANCHISE IN HARFORD COUNTY, UNDER THE PROVISIONS OF THIS BILL AS HEREIN-AFTER SET FORTH, APPENDING THERETO AND INCORPORATING THEREIN A COPY OF THE APPLICATION OF THE SUCCESSFUL APPLICANT. IN THE 25 EVENT THAT THE COUNTY COUNCIL, AT THAT TIME, GRANTS MORE THAN ONE APPLICATION, THEN THE NAME AND THE APPLICATION OF EACH SUCCESSFUL APPLICANT SHALL APPEAR IN SEPARATE BILLS. NO APPLICATION SHALL BE CONSIDERED FINAL UNTIL THE BILL BECOMES LAW PURSUANT TO THE CHARTER OF HARFORD COUNTY, MARYLAND.

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1 || service-oriented CATV System or Systems. Provision is hereby made for the Granting Authority to evaluate all applications and 3 to accept the most qualified applicant(s) and/or to reject all 4 other applications for the franchise. All applicants shall be 5|| advised that Harford County expects the highest quality proposals. 6 | The application procedure shall permit the applicants freedom 7 | and flexibility to propose a system of outstanding quality. Applicants are required to make use of the Application Form supplied by the County Council and must respond to each of the 10 questions appearing thereon. However, applicants shall be permitted and urged to provide any additional materials, not 12 | specifically requested in the Application Form, that the applicants 13 deem pertinent to the Granting Authority's consideration. The criteria for evaluating, grading and acting upon the CATV applications is divided into two areas: Basic Qualifications and Comparative Qualifications.

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(b) Basic Qualifications: The Basic Qualifications required 18 of each applicant are that it be legally, technically and finan-19 cially qualified to construct and operate a high quality CATV System in Harford County. The Granting Authority shall not attempt to compare the applications in these areas; an applicant is either legally, technically and financially qualified, or If the Granting Authority determines that any it is not. applicant does not possess any or all of the basic qualifications, it reserves the right to dismiss the application without consider-26 ation of its programming and other attributes. In such event, 27 the assumption is that if an applicant is not legally, technically 28 and financially qualified, it is incapable of providing the programming and services that it proposes.

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partners, stockholders, officers, directors, associates, subsidi- $2\parallel$  aries, parents, may not be felons, citizens of foreign countries,  $\mathbf{3} \|$  or possess any business interests that are in violation of 4 | the Communications Act of 1934, as amended; the FCC Rules and Regulations, the laws of the State of Maryland, the Code of 6 | Harford County, and/or all other applicable law.

- (2) Technical Qualifications: All applicants must possess sufficient CATV expertise, in the Granting Authority's judgment, to enable the applicant to successfully fulfill its proposal, and all applicants must set forth a technical proposal that, in the Granting Authority's judgment will function 12 | effectively.
- (3) Financial Qualifications: All applicants must 14 demonstrate, to the Granting Authority's satisfaction, that they 15 have the capability of acquiring sufficient funds to construct and operate the CATV System on an economically viable basis. While the Granting Authority does not intend to give a comparative 18 preference to the applicant with the most money, the Granting 19 Authority requires that each applicant have sufficient funds to 20 effectuate its proposals.
- (c) Comparative Qualifications: Once an applicant has 22 demonstrated that it possesses the requisite legal, technical and financial qualifications, it shall be considered, by the Granting Authority, under its comparative criteria to determine which of 25 the applicants is best suited to receive the CATV franchise. The applicant to be preferred is one that offers the strongest combined showing in the following criteria:
- (1) Capacity and Commitment to Meet Local Needs: 28 Each applicant must demonstrate, in detail, its capacity and

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expected to make a major contribution to the communications, educational and entertainment needs of County residents, therefore the basic value of any CATV application is the degree 4|| to which it demonstrates an ability to meet those needs, for the present and in the future. Each applicant will describe the tech-6 nical design of the system, including such detail as may permit a proper evaluation of the proposal. The description shall include, but not be limited to, two-way and switching capability, terminal facilities, converters, and present and future channel capacity. Other elements which will be considered are the applicants' proposals for expanding basic services, providing additional services, establishing a two-way and broad band communication network. The applicants shall also state how many channels, what facilities, and what services shall be provided free of charge to the County, the school systems and the public, and which facilities and services shall be at cost. Examples of the types of elements to be considered in this criterion are  $18\parallel$  the applicants' plans and proposals for the construction and 19 operation of adequately equipped station, studio or other suitable 20 place for local program origination, public service programming, staffing, commitments for assistance to educational and community groups, and other similar elements.

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Operational Planning: Each applicant must demon-24 strate its managerial and organizational capacity to implement 25 all of the technical, program, and other proposals that are 26 embodied in its application. Examples of elements to be considered 27 are the proposed numbers and classifications of technical, 28 professional, management, office and maintenance personnel; the technical and professional qualifications of the applicant's

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1 procedures designed to assure attention and responsiveness 2 to County residents.

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- (3) Integration of Ownership and Management: applicant must reflect the degree to which its owners will participate, daily or otherwise, in the management of the System. assumption hereunder is that where the operators of the System possess a pecuniary interest in its operation, the likelihood of efficiency, thoroughness, and responsiveness is augmented.
- (4) Proposed Local Programming: While this criterion 10 will be considered in other areas as well, the Granting Authority stresses that it will place considerable weight upon the proposals 12 of the applicant to provide local programming by, for and about 13 County residents.
- (5) Diversification of Control of Media: The United States Congress, the FCC, and the Department of Justice are concerned with the concentration of mass media in the United States. 17 | National trends and policies now support the concept of diversi-18 fication of control of mass media. CATV systems are an integral 19 | part of the mass media. Accordingly, the Granting Authority will 20 | place weight upon the degree to which each applicant, if awarded the franchise, would tend to diversify the control of mass media, in the County, in the State, in the mid-Atlantic states and nationally.
- (6) Local Ownership: The Granting Authority may award the franchise to an applicant or person that does not reside 25 || in the County, the State, or the region. The Granting Authority 26 ll shall consider local residency, particularly within the boundaries 27 of Harford County, as a substantial plus for the applicant. 28 performance of local residents may be found by the Granting Author-29 ||

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to feel a greater public responsibility to County residents. Finally, in the event of malfunction of the System or other deficiency, local-resident owners and operators may be more accessible to the County and the members of the public subscribing to the System's service. For the purposes used herein, the weight given to local residency shall be increased or decreased, as the case may be, by the degree to which the local-resident owners have a proven record to contributing to the well being of the County, its many civic and public service organizations, and the citizenry in general.

Cumulative Weight: The Granting Authority stresses that an applicant may be found to be preferable in one or two of the above criteria and be so deficient in the others that it would not be entitled to receive a franchise. Therefore, it is the combined, cumulative qualifications of the applicant, under all criteria, that shall be preferred.

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- GRANDFATHERING OF EXISTING OPERATIONS: THE GRANTING AUTHORITY RECOGNIZES THAT THE MULTIVIEW CABLE CORPORATION HAS BEEN AND IS NOW OPERATING A CATV SYSTEM IN CERTAIN AREAS OF HARFORD COUNTY.
- THERE IS HEREBY GRANTED UNTO MULTIVIEW CABLE (1)CORPORATION A NON-EXCLUSIVE FRANCHISE ONLY IN THOSE AREAS OF THE COUNTY, AS HEREINAFTER DEFINED, IN WHICH THE SAID MULTIVIEW CABLE CORPORATION HAS CONSTRUCTED OR HAS UNDER CONSTRUCTION AS OF THE DATE THIS ACT BECOMES LAW A CATV CABLE DISTRIBUTION PLANT.
- 26 THE FRANCHISE GRANTED UNDER THE PROVISIONS OF THIS (2) SECTION SHALL BE IN EFFECT UNTIL JANUARY 1, 1990. THE PROCEDURE 28 FOR A RENEWAL OF THIS FRANCHISE FOR AN ADDITIONAL PERIOD OF TEN (10) YEARS AFTER SAID DATE SHALL CONFORM TO THE PROVISIONS OF

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ALL THE PROVISIONS OF THIS ACT. IN THOSE AREAS OF THE COUNTY, AS HEREINAFTER DEFINED, IN WHICH SAID MULTIVIEW CABLE CORPORATION HAS CONSTRUCTED OR HAS UNDER CONSTRUCTION A CATV CABLE DISTRIBUTION PLANT, AS HEREINAFTER SET FORTH, THE SAID MULTIVIEW CABLE CORPOR-ATION SHALL BE EXEMPTED AND EXCEPTED FROM THE PROVISIONS OF SECTIONS 6.4, 6.5, 6.6 AND 6.7 (a), (b) AND (c) OF THIS ACT, AND SHALL BE EXCEPTED FROM THE PROVISIONS OF SECTIONS 6.10 (c) 3,4,5, 6, AND 7; 6.9 (a); 6.10 (d), (f), (g) AND (i) UNTIL THE YEAR 1977 OR UNTIL A DATE IN WHICH THE FCC HAS DIRECTED THAT THE CURRENT SYSTEM OF SAID MULTIVIEW CABLE CORPORATION MUST BE UPGRADED TO COMPLY WITH SUCH PROVISIONS.

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(4) NOTHING IN THIS SECTION SHALL BE CONSTRUED TO PRO-13 HIBIT EXPANSION OF THE SAID MULTIVIEW CABLE CORPORATION CATY CABLE 14 DISTRIBUTION PLANT BEYOND THE SPECIFIED AREAS OF THE COUNTY, AS HEREINAFTER SET FORTH IN WHICH THE SAID MULTIVIEW CABLE CORPORATION IS NOW OR HAS BEEN OPERATING A CATV SYSTEM. PRIOR TO ANY SUCH 17 EXPANSION IN THE FUTURE, HOWEVER, THE SAID MULTIVIEW CABLE CORPOR-ATION SHALL COMPLY WITH THE PROVISIONS OF SECTIONS 6.4, 6.5, 6.6 AND 6.7 (a), (b) AND (c) OF THIS ACT, AND IF SAID EXPANSION IS REQUESTED PRIOR TO THE YEAR 1977, THEY SHALL ALSO BE REQUIRED TO COMPLY WITH THE PROVISIONS OF SECTIONS 6.10 (c) 3, 4, 5, 6 AND 7; 6.9 (a); 6.10 (d), (f), (g), (i) OF THIS ACT.

THE DESIGNATED AREA OF THE COUNTY IN WHICH MULTI-(5) VIEW HAS CONSTRUCTED OR HAS UNDER CONSTRUCTION CATV CABLE DISTRIBUTION PLANT IS HEREBY DEFINED AS THAT LOWER PORTION OF THE COUNTY EXTENDING FROM JOPPATOWNE ON THE SOUTH TO A STRAIGHT LINE ON THE NORTH RUNNING FROM THE 39° 35' PARALLEL OR LONGITUDE FROM THE EASTERNMOST COUNTY LINE TO THE WESTERNMOST COUNTY LINE.

(6) THE COMPANY SHALL NO LATER THAN THE END OF THE

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HOW THE COMPANY SHALL COMPLY WITH THE CHANNEL CAPACITY AND ACCESS CHANNEL REQUIREMENTS AS SET FORTH IN SECTION 76.251, OF THE RULES AND REGULATIONS OF THE FCC.

Section 6.8. Fee for Filing Applications.

On the application due date, each applicant shall be required to file a fee of One Thousand Dollars (\$1,000.00) payable to Harford County, Maryland. The sum of Seven Hundred Fifty Dollars (\$750.00) will be returned to the unsuccessful bidder(s) at such time as an award is made to the successful bidder or bidders. The fee of One Thousand Dollars (\$1,000.00) paid by the successful bidder(s) shall not be refunded by the County but will be used to defray the County's cost in processing, considering and acting upon the applications.

Section 6.9. Construction and Installation of the System.

- (a) Upon commencement of the operation of the system, it shall be capable of transmitting those number of channels required under the FCC Rules and Regulations for delivery to its Residential Subscribers. Said services are to be rendered to public or quasi-public facilities or buildings without charge.
- stallation of its System throughout the County, OR IN THE SPECIFIED AREA OR AREAS OF THE COUNTY FOR WHICH A FRANCHISE IS GRANTED, in the manner and in accordance with the timetable set forth in the franchise. It shall commence construction no later than one year from the effective date of the franchise, or within one year after final, legal resolution of any approvals or actions that may be required by the FCC, OR ANY OTHER FEDERAL, STATE OR LOCAL AGENCY, whichever is later and shall have completed

substantially completed construction within seven 47) FIVE

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five (75) or more per linear-mile. At least 15% of the Gounty with energized and operable trunk eable within the first year after the issuance of the certificate of compliance by the FGG. -Thereafter, the Company shall extend the energised trunk. eable at least ten per cent (10%) each year until the entire system is built in the Gounty providing basic service to allareas throughout the County in which the density of Residential Subscribers is 75 or more per square mile. THE FRANCHISEE SHALL ACCOMPLISH SIGNIFICANT CONSTRUCTION WITHIN ONE (1) YEAR AS AFORE-SAID, AND SHALL EQUITABLY AND REASONABLY EXTEND ENERGIZED TRUNK CABLE TO TWENTY PERCENT (20%) OF THE FRANCHISE AREA EACH YEAR THEREAFTER IN ORDER TO PROVIDE SERVICE TO ALL POTENTIAL SUB-SCRIBERS THROUGHOUT THE FRANCHISE AREA NO LATER THAN THE END OF THE FIFTH YEAR AFTER CONSTRUCTION IS COMMENCED, EXCEPT AS MAY BE OTHERWISE PROVIDED IN ANY EXTENSION OF SERVICE PROVISION SET FORTH IN THE FRANCHISE AGREEMENT. All approvals and/or licenses and/or permits required to construct the system shall be applied 18 for, and the application for certificate of compliance filed 19 with the FCC, within sixty (60) days, by the Company, from 20 | the date of the granting of the franchise.

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- (c) The County shall have the right to inspect all construction or installation work, performed by the Company in 23 the streets, and make such inspections as the County deems 24 necessary to insure compliance with the terms of its franchise 25 and other pertinent provisions of law.
- (d) Within sixty days from the date of request by the 27 | County, the Company shall supply maps delineating the location of 28 all of its then installed cables.
  - (e) No poles, underground conduits, or other wire holding

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 $1 \parallel$  in which such are to be erected. To the extent possible, the Company shall negotiate agreements, with the appropriate parties, to permit it to utilize the existing poles and underground conduits throughout the County. If the Gounty, at a future date, requires all utilities to be placed underground, in all or a pertion of the County, the Company shall conform to such requirement at its ewn-expense. THE COMPANY SHALL BE REQUIRED TO PROVIDE UNDERGROUND SERVICE IN NEW AREAS WHERE SERVICE IS NOT PROVIDED BY EXISTING AERIAL PLANT AND WHERE OTHER UTILITIES ARE REQUIRED TO PROVIDE UNDERGROUND SERVICE. Any poles, underground conduits, or other fixtures, that the Company is authorized by the County to install, must be placed in a manner to provide 13 minimum interference with the usual travel on the public streets and any existing utility services.

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- (f) The Company shall, on the request of any person 16 | holding an appropriate building permit, temporarily raise or lower 17 | its wires to permit such authorized construction. The expense  $18 \parallel$  of such temporary removal or raising or lowering of cables shall 19 be borne by the person requesting same, and the Company shall have 20 | the authority to require such payment in advance. The Company shall be given not less than seventy-two (72) hours advance notice 22 to arrange for such temporary cable changes.
- (g) In the event that the relocation, construction, reconstruction, maintenance, repair, by the County, or public utillity, of its sewers, water mains, storm drains, or other public 25 || facilities, requires the Company to remove, lower or raise its cables and related equipment, the Company shall do so at its own cost and expense.
  - (h) If the Company shall fail, refuse or neglect to comply

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from such removal, alteration or relocation. All costs in connection therewith shall be paid by the Company within thirty (30) days from the date of the invoice therefor.

- (i) All of the Company's construction shall be conducted in  $\mathbf{5} \parallel$  a manner that will cause minimum interference with the rights and 6 reasonable convenience of the property owners directly affected 7 | thereby. The Company shall maintain all structures, cables and related CATV equipment, that are located in, over, under and  $\mathbf{g} \parallel$  upon the streets, in a safe, suitable, substantial condition, and 10 in good order and repair at all times.
- (j) All construction and installation, by the Company, shall be effectuated in a manner that is consistent with the FCC's 13 Rules, as to technical standards and otherwise.

The Company shall have the right to remove, trim, cut, 15 and keep clear of its poles, cables, underground conduits, and 16 | related equipment, the trees in and along the County owned streets but in the exercise of such rights, the Company shall not cut or 18 otherwise damage said trees to any greater extent than is reason-19 ably necessary for the erection, installation, maintenance, and 20 | use of such CATV equipment. The Company shall not trim, cut or remove such trees from any County owned street, without providing written notice, of its intention to do so, to the County or its authorized personnel.

Section 6.10. Operation. 24 |

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- (a) The Company shall commence operation as provided in Section 6.9.
- (b) Within sixty (60) days of receipt of a reasonable 27 28 request for service, by any person who is located within the County areas then serviced by the Company, the Company shall

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(c) The initial Base Service of the Company shall include the following:

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- (1) All television signals that are required by the FCC.
- (2) At the Cempany's option, or at the County's request, such other television signals as the FGG Rules and Regulations permit.
- (2) AT THE REQUEST OF THE GRANTING AUTHORITY, THE COMPANY SHALL REQUEST THE FCC TO PERMIT THEM TO CARRY ADDITIONAL TELEVISION SIGNALS AS ARE AUTHORIZED BY FCC RULES AND REGULATIONS AND ARE COMPATIBLE WITH THE CHANNEL CAPACITY OF THE COMPANY'S CATV PLANT OR PLANTS.
- (3) No less than one channel that is reserved for use 13 by the Granting Autority.
- (4) No less than one channel (called the Public Channel) 15|| that is reserved for use (on a non-discriminatory and uncensored  $16\parallel$  basis) of any person residing within the County. On the Public Channel, the Company shall provide time on a first-come firstservedbasis, except that the Company shall endeavor to provide 19 such channel time to as many different persons as is practical. 20 To maximize the opportunity for freedom of expression and diversity of the sources of public opinion, the program content on the 22 Public Channel shall be free from any censorship or control by the Company (except as may be necessary for the Company to comply with the rules and regulations of the FCC governing the uses of such public channel(s).
- (5) No less than one channel that is reserved for 27 | use by the School System (the Educational Channel).
- (6) No less than one channel that is reserved for 29 local program originations, by the Company, of local, State and

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applicable law.

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- (d) Based upon the Granting Authority's findings of public 3 | need, which findings shall be predicted upon usage of either the County, Public or Educational channel(s) for a period of 80% of the weekdays for 80% of any consecutive three hour period for | six (6) consecutive weeks, the company shall, within a period not 7 | to exceed six (6) months, make an additional channel(s) available for use for which the public need has been demonstrated. charge shall be made for any additional channel(s) as herein set forth. COUNTY, PUBLIC, EDUCATIONAL OR ADDITIONAL ACCESS CHANNEL(S) AS HEREIN SET FORTH FOR A PERIOD OF FIVE (5) YEARS FROM THE COMPLETION OF THE SYSTEM'S BASIC TRUNK LINE.
  - (e) In the course of its operations, the Company shall undertake any new and additional construction and/or installations as may be necessary to keep pace with the latest developments in the state of the CATV art.
- (f) On the County and Education Channels, the Company 18 shall carry and/or cablecast such programming as is designated by the County, or its designated representative, and the School System, or its designated representative, respectively.
  - (g) On the Public Channel, the Company shall provide time on a first-come first-served basis, except that the Company shall endeavor to provide such channel time to as many different persons To maximize the opportunity for freedom of as is practical. expression and diversity of the sources of public opinion, the program content on the Public Channel shall be free from any censorship or control by the Company.
- (h) The Company, shall, without charge for installation, 28 maintenance or service, make installations of its cable television

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colleges, universities and similar institutions within the County within one thousand (1,000) THREE HUNDRED (300) feet EXCEPT THE HARFORD COMMUNITY COLLEGE WHICH SHALL BE ONE THOUSAND (1,000) FEET of the service lines of its cable system. 5 | Company shall make such installations to such institutions not within one thousand (1,000) THREE HUNDRED (300) feet EXCEPT THE HARFORD COMMUNITY COLLEGE WHICH SHALL BE ONE THOUSAND (1,000) 8 FEET of its service lines upon request of such institution therefor at its certified cost, and shall continue service 10 and maintenance thereafter at no charge. The Gompany shall 11 | net charge for service to additional outlets within such 12 | faeilities; nor shall there be any charges for the use of 13 multiple television receivers within such facilities.

- (i) During those daily time segments in which no signals |15| or programming are transmitted on any channel, that is reserved by 16 the FCC Rules, this Act, or other applicable law, the Company may 17 utilize such channels for any purpose otherwise consistent with 18 the provisions of this Act.
- (j) In the event that the County declares that a public emergency has arisen, the County may interrupt the programming on 21 all channels and preempt all of same to provide the public with 22 | appropriate announcements or information and, as necessary, the Company shall provide without cost any and all facilities required 24 therefor.
- (k) In the operation of its system, the Company shall not 26 | interfere, in any way, with the right of any County resident to utilize an individual antenna for the purpose of receiving tele-28 | vision and other signals off-the-air.
  - (1) At all times during its operation, the Company shall

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- (a) Throughout the term of its franchise, the Company shall maintain all parts of the System in good, working condition.
- (b) The Company shall maintain at least one office within the County which shall be open at least six (6) FIVE (5) days a week between the hours of 9 a.m. and 5 p.m. to receive complaints and to receive and to respond to all service calls and correct malfunctions as promptly as possible, and, under  $8 \parallel$  normal circumstances, shall respond to such calls within a  $\mathbf{9} \parallel \text{period}$  of time not to exceed seventy-two (72) hours after notice 10 thereof. For that purpose the Company shall maintain in the 11 County a sufficiently large and competent staff of technicians  $12 \parallel$  to provide adequate and prompt service to all installations 13 of said service.
- (c) Except in emergency situations, the Company shall 15 | interrupt its service, for the purpose of repair or upgrading of 16 the System only during periods of minimum use, if at all possible.
  - (d) The Company shall not engage in the production, sale, lease or repair of residential television receivers. Section 6.12. Rates.
  - (a) The initial rates for Basic Service to Residential Subscribers shall not exceed the following amounts:
  - (1) For service, \$6.95 a month for the first outlet and \$1.50 a month for each additional outlet.
- (2) Installation of original service \$25.00, instal-25 | lation of any additional outlets on original service \$5.00.
  - (3) Moving an outlet \$5.00.
  - (4) Reconnecting an outlet or outlets \$15.00.
- (5) For reconnection of service discontinued because 28 29 | of change of occupant \$5.00.

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The first outlet shall be considered, for the purpose of rates, an additional outlet if the subscriber receives Basic Service.

(c) All rates, charges, terms, and conditions relating thereto shall be nondiscriminatory.

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- (d) Within thirty (30) days after the completion of its annual audit prior to March 15 the Company shall file all of its financial statements and reports for the preceding calendar year indicating a full schedule of all services offered and rates charged, and such other information data as the County may reasonably request.
- (e) In the event that the Company seeks to have a rate established for a new service or to increase the rates of existing TO INCREASE THE RATES OF BASIC services, it shall file a written request specifying the justification thereof and the Granting 15 Authority shall rule on each such request within one hundred fifty (150) days from the date of the Company's filing or within thirty (30) days after the filing of additional supporting 18 data, as requested by the Granting Authority, whichever date 19 is later. No increase in rates charged to subscribers shall 20 be made until the conclusion of an appropriate public proceeding affording due process. HOWEVER, THE COMPANY MAY ADD TO THE MONTHLY SERVICE CHARGES SPECIFIED TAXES OR FEES INCLUDING COPYRIGHT FEES, IMPOSED BY FEDERAL, STATE OR LOCAL GOVERNMENT OR LEGISLATIVE BODIES.
- (f) No charge shall be made FOR A PERIOD OF FIVE (5) YEARS FROM THE COMMENCEMENT OF CABLE TELEVISION SERVICE to the County 26 || for the use of the County Channel(s) or to the School System 27 || 28 | for use of its channel(s). In addition, the Company will provide one, non-commercial, Public Channel without charge, except

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(g) The Company shall provide the County and School System with Additional Services at a charge to be set by the Granting Authority, but not to exceed sixty-six and two thirds per cent (66 2/3%) of the charge to residential subscribers or the charge for similar service offered by the appropriate communication common carrier operating within the County, whichever is less. Section 6.13. Annual Fees and Compensation to the County.

- (a) The Company shall pay the County an initial annual fee  $9 \parallel$  of three per cent (3%) of its gross Subscriber Revenues. 10 a like-kind fee payment be required by any State agency now or  $11 \parallel$  subsequently charged with the regulation of cable television, the 12 | fee provided for herein and the fee payable to said State agency 13 when added together, shall not exceed the maximum amount permitted 14 by applicable federal law, rules or regulations. If subsequent to 15 the granting of this franchise, the FCC authorizes and/or approves 16 an increase in annual fee over and above the three percent (3%) 17 rate, and/or changes its determination of the term "subscriber 18 revenues" the Company shall pay the County said increased fee, 19 upon notification of the Company by the Granting Authority. The 20 said annual compensation shall be paid on or before March 15 at 21 the time of filing the annual financial report for the preceding 22 calendar year.
- (b) No payments of the annual fee, or other justifiable 24 charges that are made by the Company to the County pursuant hereto, 25 shall be considered in any manner as in the nature of a tax, but 26 | such payment shall be made in addition to any and all taxes which 27 are now or may hereafter be required generally of commercial enter-28 prises in the County.

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(c) The annual fee schedules shall become operative upon

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1 Section 6.14. Inspection by the County.

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- (a) The Company shall construct, operate and maintain the 3 ||System subject to the inspection of all of the authorities of the 4 || County who may now have or hereinafter obtain jurisdiction in such 5 matters, and in strict compliance with all laws, ordinances, 6 departmental rules and regulations affecting the System.
- (b) The System, and all parts thereof, shall be subject to 8||the right of periodic inspection by the County's duly authorized 9 personnel.
- (c) No construction, reconstruction or major change of 11 the system, within the streets, will be commenced until the 12 Company has presented its written plans to the proper County 13 officials, and the latter have approved the same. The County 14 officials may impose such conditions and regulations as are reason-15 ably necessary for the protection of the public and for the con-16 tinuity of pedestrian and vehicular traffic. The County shall 17 promptly review the Company's plans and, unless disapproved or 18 altered for valid cause shown., within ninety (90) days from date 19 of submission to the County it shall be deemed that approval has 20 been granted.
- (e) The Granting Authority may require that any portion or 22 all of the System should be reasonably improved or upgraded 23 (including, but not limited to, increasing channel capacity, pro-24 viding improved equipment, and offering new services) and may 25 order such improvement or upgrading to be effected by the Company 26 within a reasonable time thereafter; provided, however, that the 27 | method of improving or upgrading is readily available within the 28 CATV industry and can be financed under the existing rate 29 schedule.

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1 terms hereof, the Company shall, if necessary, relocate or  $2\|$ change the System to conform with such new grades or lines 3 and will do so at its own cost and expense.

(b) If the modification of water mains, sewerage or  $\mathbf{5} \|$  drainage systems or other public utilities in the streets, is  $6 \parallel$  required to permit the Company to construct, modify, maintain or  $7 \parallel$  operate its CATV system, such modifications, shall be at the sole 8 cost and expense of the Company and in conformance with County law,  $9 \parallel$  and all work performed by the Company pursuant hereto, shall be 10 done in the manner prescribed by the County's duly authorized 11 personnel.

12 Section 6.16. Progress and Status Reports.

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- (a) Within six (6) months from the date of the Certificate. 14 of Compliance by the FCC or within nine (9) months of the effective 15 date of the franchise, whichever is sooner, the Company shall sub-1 16 | mit to the County its construction plan, indicating the timetable, 17 for construction and/or extension of the various segments of the 18 system.
- (b) From the date of commencement of construction through  $20 \parallel$  the completion of substantial construction, as defined by this 21 | Article, the Company shall furnish the County with progress reports 22 at six month intervals, the first such report to be made one year  $23\|$ from the date of commencement of construction. Such reports shall 24 | indicate, in detail, the progress of construction.
- (c) Annual financial reports shall be submitted in the 26 manner provided by this Article.
- (d) Within ten (10) days after the Company, its affiliates, 28 and/or subsidiaries have filed a report, petition or communication, 29 with any governmental body pertaining to any aspect of the Com-

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1 Authority a current list of all officers, directors and stock-2 holders owning five (5%) percent or more of the Company, its 3 parents, subsidiaries or affiliates.

- (f) With reasonable expedition, upon request of the  $5 \parallel$ Granting Authority, the Company shall submit any further informa-6 tion with regard to the business of the Company, as the Granting Authority may reasonably request. 8 Section 6.17. Books and Records of the Company.
- (a) So long as it continues to operate the System, or any 10 portion thereof in the County, the Company shall maintain its 11 principal office in the County and hereby designates such office 12 as the place where all legal notices, directions, orders and 13 requests may be served or delivered on it pursuant to the terms 14 of this Act. The Granting Authority shall be immediately notified 15 of the location of such office or any change thereof.
- (b) The Company shall keep complete and accurate books of 17 accounts and records of its business and operations in the County 18 and shall maintain those records at the Company's office in the 19 County.
- (c) The Granting Authority and the County, or its duly 21 authorized representatives, shall have access to all of the records 22 | described above. The Company shall provide such access, during the 23 hours of 9:00 a.m. and 5:00 p.m., upon receipt of forty-eight (48) 24 hours prior notice.
- (d) Any false entry in the aforesaid records of the Com-26 pany pertaining to a material and substantial fact that has been 27 | knowingly made by this Company, shall constitute a violation of a 28 material provision of this Article.
- 29 Section 6.18. Liability for Damages.

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of action or award of damages, whether compensatory or punitive,  $2\|$ or expenses arising therefrom, either at law or in equity, 3 which might be claimed now or in the future, including any 4 payments required by the Workmen's Compensation Law, which  $5 \parallel$  may arise out of or be caused by the erection, location, mainter 6 nance, repair, installation, replacement and/or removal of  $7 \parallel$  said cable television system within the County, or by any act 8 of the Company, its agents, or employees.

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(b) The Company shall, at its sole cost and expense carry 10 | insurance with an insurance company having a Best General Policy 11 Holder rating of A and a Financial Rating of AAAAA and in such 12 || form as approved by the County Solicitor, of not less than: 13 (1) One Million Dollars (\$1,000,000.00) FIVE HUNDRED THOUSAND DOLLARS |4| (\$500,000.00) for property damages in any one accident; 15 (2) One Million Dollars (\$1,000,000.00) per person; and (3) Three 16 TWO Million Dollars (\$3,000,000.00) \$2,000,000.00) per occurrence 17 || for liability due to personal injury or death. Such insurance 18 shall protect the County and/or Granting Authority from and 19 against all claims, demands, actions, judgments and liabilities 20 which may arise or result, directly or indirectly, from or 21 by reason of such loss, injury or damages. All insurance required 22 | hereby shall include the County and/or Granting Authority as 23 an insured party and remain in full force and effect for the 24 entire period covered by this franchise. A copy of said policy 25 ||shall be delivered to the Granting Authority at such time as 26 this franchise takes effect and each year thereafter during 27 the continuance of this franchise. The Company shall also 28 carry insurance to protect it from all claims under the Workmen's

29 Compensation Law in effect that may be applicable to it.

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1 and hold the County, Granting Authority and/or School System harm-2 less from all liability, damages, cost or expenses (including 3 reasonable attorney's fees), arising from claims for injury to 4 persons, including but not limited to slander or libel action and/ 5 or damage to property CAUSED BY THE NEGLIGENT OR WILLFUL ACT 6 OF THE COMPANY, ITS AGENTS, SERVANTS AND/OR EMPLOYEES.

(d) At least thirty (30) days prior to commencement of 8 construction, the Company shall file with the Granting Authority 9 and maintain on file throughout the term of the franchise, insurance 10 policies providing coverage or coverages specified above issued by 11  $\parallel$ a Company duly authorized to do business in this State. Security Fund. 12 Section 6.19.

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- (a) Within ninety (90) days after the granting of the 14 franchise, the Company shall deposit with the Granting Authority 15 and maintain on deposit through the term of its franchise, the sum 16 of ten FIVE Thousand Dollars (\$10,000.00) in cash 17∥as security for the faithful performance by it of all the provi-18 sions of this Act, and the payment by the Company of any claims, 19 liens, and taxes due the County which arise by reason of the 20 construction, operation or maintenance of the System. THIS SUM 21 SHALL BE DEPOSITED BY THE GRANTING AUTHORITY IN AN INTEREST 22 BEARING ACCOUNT. ALL SUCH AMOUNTS OF INTEREST SHALL BE PAID OR 23 CREDITED TO THIS ACCOUNT AND SHALL BE CREDITED TO AND BECOME THE 24 PROPERTY OF THE COMPANY BUT ALL ACCOUNTS SHALE REMAIN AND BECOME 25 A PART OF THE TOTAL SECURITY FUND.
- (b) Within thirty (30) days after notice to it that any 27 amount has been withdrawn from the security fund deposited 28 pursuant to subdivision (a) of this section, the Company shall 29 pay to, or deposit with, the Granting Authority, a sum of money

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 $1 \parallel$  within the time fixed herein; or fails, after thirty (30) days 2 | notice to pay the County any taxes due and unpaid, or, fails 3||to repay to the County within such thirty (30) days, any damages, 4 costs or expenses which the County shall be compelled to pay by 5 | reason of any act or default of the Company in connection with this  $oldsymbol{6}\parallel$ Article or fails, after fifteen (15) days notice by the County and  $oldsymbol{/}$ 7 or Granting Authority, of such failure to comply with any pro-8 vision of this Act, which the County and/or Granting Authority 9 | reasonably determines can be remedied by an expenditure of the 10 security, the County and/or Granting Authority may immediately 11 withdraw the amount thereof, with interest and any penalties, from 12 the security fund. Upon such withdrawal, the County and/or 13 Granting Authority shall notify the Company of the amount and the 14 date thereof.

(d) The cash deposit posted pursuant to Subsection (a) 16 shall become the property of the County in the event that the 17 || Certificate of Compliance granted by the FCC is cancelled by reason 18 of the default of the Company. The cash deposit shall be retained  $19\,\|$ by the County and returned to the Company at the expiration of the 20 franchise, or any renewal thereof, provided there is then no out-21 standing default on the part of the Company.

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- (e) The rights reserved to the County with respect to the 23 security fund are in addition to all other rights of the County 24 whether reserved by this Article or authorized by law, and no 25 action, proceeding or exercise of a right with respect to such 26 security shall affect any other right the County may have. 27 Section 6.20. Fair Employment Regulations.
- 28 (a) The Company shall recognize the right of its employees 29 to bargain collectively through representatives of their own

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1  $\parallel$  to rates of pay, wages, hours of employment or other conditions 2 of employment and shall not dominate, interfere with or participate 3||in the management or control of or give financial support to 4 any union or association or its employees.

(b) The Company shall not refuse to hire or employ, nor bar 6 or discharge from employment, nor discriminate against any person 7 ||in compensation or in terms, conditions or privileges of 8 memployment, because of age, race, creed, color, national origin or sex.

SECTION 6.201. DISCRIMINATORY PRACTICES PROHIBITED. 10

- (a) THE COMPANY SHALL NOT DENY SERVICE OR ACCESS, OR 11 12 OTHERWISE DISCRIMINATE AGAINST SUBSCRIBERS, PROGRAMMERS, OR 13 CITIZENS OF HARFORD COUNTY ON THE BASIS OF RACE, COLOR, RELIGION, 14 NATIONALITY OR SEX. THE COMPANY SHALL COMPLY AT ALL TIMES WITH 15 ALL APPLICABLE FEDERAL, STATE, AND COUNTY LAWS, AND ALL EXECUTIVE 16 AND ADMINISTRATIVE ORDERS RELATING TO NON-DISCRIMINATION. NOTHING 17 IN THIS PROVISION SHALL BE CONSTRUED TO PROHIBIT A REDUCTION OR 18 WAIVING OF CHARGES IN CONJUNCTION WITH PROMOTIONAL CAMPAIGNING FOR 19 THE PURPOSE OF ATTRACTING SUBSCRIBERS, NOR SHALL THIS PROVISION 20 BE INTERPRETED TO PROHIBIT THE ESTABLISHING OF A GRADUATED SCALE 21 OF CHARGES AND CLASSIFED RATE SCHEDULES TO WHICH ANY SUBSCRIBER 22 OR PROGRAMMER INCLUDED HEREIN AS PARTICULARLY CLASSIFIED SHALL BE 23 ENTITLED.
- (b) NEITHER THE COMPANY NOR ANY OTHER PERSON, AGENCY, 25 OR ENTITY SHALL TAP OR ARRANGE FOR THE TAPPING OF ANY CABLE, 26 SIGNAL INPUT DEVICE OR SUBSCRIBER OUTLET OR RECEIVER FOR ANY 27 PURPOSE WHATSOEVER.

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(c) NEITHER THE COMPANY NOR ANY OTHER PERSON, AGENCY, 29 OR ENTITY SHALL MONITOR OR ARRANGE FOR THE MONITORING OF ANY CABLE 1 AFFORDING DUE PROCESS.

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(d) THE COMPANY AND THE COUNTY SHALL MAINTAIN CONSTANT 3 VIGILANCE WITH REGARD TO POSSIBLE OBSERVANCES OF THE RIGHT OF 4 PRIVACY OR OTHER HUMAN RIGHTS OF ANY SUBSCRIBER, PROGRAMMER, OR 5 CITIZENS OF HARFORD COUNTY, RESULTING FROM ANY DEVICE ASSOCIATED 6 WITH THE CABLE TELEVISION SYSTEM, THE POSSIBILITY OF SUCH 7 OBSERVANCES SHALL BE DISCUSSED AT REGULAR INTERVALS, TO BE DETER-8 MINED BY THE COUNTY, AND AT ALL RATE INCREASE HEARINGS. DEVICES 9 SUCH AS ELECTRONIC LOCKS, SCRAMBLERS, WARNING LIGHTS, AND OTHERS, 10 SHALL BE PROVIDED BY THE COMPANY IF SUCH PROBLEMS ARISE THE 11 TECHNICALITY BECOMES GENERALLY AVAILABLE, AND REASONABLE 12 FINANCIAL ARRANGEMENTS CAN BE NEGOTIATED BY THE COMPANY. 13 || Section 6.21. Forclosure.

Upon the threat of foreclosure or judicial sale of all  $15 \|$ or substantial part of the System, or upon notification of the 16 termination of any lease covering all or a substantial part of the 17 | System, the Company shall immediately notify the Granting Authority 18 of such fact, and such notification shall be treated as a notifi-19 | cation that a change in control of the Company may take place, and 20 the provision of this Article, governing the consent of the County to such change in control of the Company, shall apply upon the 22 happening of such event.

23 | Section 6,22. Receivership.

(a) The Granting Authority shall have the right to cancel 25||this franchise one hundred twenty (120) days after the appoint-26 ment of a receiver or trustee, to take over and conduct the business of the Company, whether in receivership, reorganization, bankruptcy, or other action or proceeding, unless such receivership or trusteeshiposhall have been vacated prior to the

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1 fully complied with all the provisions of this Act and remedied all defaults thereunder; or

- (2) Such receiver or trustee, within said one hundred twenty (120) days shall have executed an agreement, duly approved by the Court having jurisdiction in the premises, whereby such receiver, or trustee assumes and agrees to be bound by each and every provision of this Act.
- 8 Section 6.23. Restrictions Against Transfers.
- 9 (a) The franchise shall not be assigned or transferred,
  10 either by the act of the Company or by operation of law, without
  11 the consent of the Granting Authority. The granting, giving or
  12 waiving of any one or more of such consents shall not render
  13 unnecessary any subsequent consent or consents.
- (b) The Company shall promptly notify the Granting 15 Authority of any actual or proposed change in, or transfer of, or 16 acquisition by any other party of, control of the Company. 17 word "control" as used herein includes actual working control in 18 whatever manner exercised. Every change, transfer, or acquisition 19 of control of the Company shall make the franchise subject to 20 cancellation unless and until the Granting Authority shall have 21 consented thereto. For the purpose of determining whether it shall 22 consent to such change, transfer, or acquisition of control, the 23 Granting Authority may inquire into the qualifications of the 24 prospective controlling party, and the Company shall assist the 25 | Granting Authority in any such inquiry. If the Granting Authority 26 does not schedule hearing on the matter within sixty (60) days 27 after notice of the change or proposed change and the filing of a 28 petition requesting its consent, it shall be deemed to have IF THE TRANSFEREE OR ASSIGNEE MEETS THE BASIC 29 | consented.

 $1 \parallel$ resolution denying its consent and such change, transfer or acqui $\in$ 2 sition of control has been effect, EFFECTED, the Granting Authority  $3 \parallel$  may cancel the franchise unless control of the Company is restored 4 to its status prior to the change, or to a status acceptable 5 to the Granting Authority.

- (c) Nothing in this Section shall be deemed to prohibit 7 a mortgage or pledge of the franchise, System or any part thereof,  $8\|$ for financing purposes; nor does it prohibit the same of the 9 Company's stock publicly in compliance with applicable laws. 10 Section 6.24. Restrictions on the Company.
- (a) Contracts with and payments by and between the Company 12 and affiliates will be subject to complete disclosure to the 13 Granting Authority. For purposes of regulation, the Granting 14 Authority reserves the right to inquire into the actual cost 15 of performing services which may be purchased or contracted for 16 from any affiliate.
- (b) The Company's Ownership structure shall conform, at 18 all times, to the FCC's Rules and Regulations.
- (c) The Company shall pay dividends only according to 20 || State law.
- 21 Section 6.25. Cancellation and Expiration.

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The Granting Authority shall have the right to cancel 23 the franchise: If the Company fails to comply with any material 24 and substantial provision of this Article, or any reasonable order, 25 direction or permit issued by any County Agency pursuant to such 26 material and substantial provision; or if the Company fails to 27 comply reasonably with any provision of either, any order, direction 28||tion or permit issued by any County Agency pursuant to any 29 provision. Such cancellation shall be by resolution of the Granting

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1 | opportunity to correct such failure or to present facts and argu-2 ment in refutation of the alleged failure.

- (b) If the Granting Authority then concludes that there 4 is a basis for cancellation, it shall notify the Company thereof.
- (c) If within a reasonable time, the Company does not 6 | remedy and/or put an end to the alledged failure, the Granting 7 Authority, after a public hearing on notice, may cancel the fran-8 chise if it determines that such action is warranted. 9 Section 6.26. Arbitration.

Matters which are in dispute hereunder, such as cancel-11 | lation, may be appealed by the injured party to an Arbitration 12 Panel, which shall consist of three (3) members.

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- (a) The membership shall be one person named by the 14 Granting Authority and one person named by the Company, with the 15 third member to be named by the Company representative and the 16 Granting Authority representative acting jointly. If they fail 17 to agree as to the third member, either or both members shall apply 18 to the American Arbitration Association and the latter shall name 19 the third member. Absent majority agreement to the contrary, the 20 third appointee shall be the Presiding Officer.
- (b) Each party shall bear the expenses of its own 22 representatives. The expenses of the arbitration shall be borne 23 as determined by the Arbitration Panel in its award or finding, 24 but in no event shall the Granting Authority be obligated for 25 more than one-half of the expenses.
- 26 (c) The determination of the majority of the three-27 member Panel shall be binding on the parties.
- 28 Section 6.27. Granting Authority Rights in Franchises.

The right is hereby reserved to the Granting Authority

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 $1 \parallel$  that such regulations, by ordinances, or otherwise, shall be 2 reasonable. 3 Section 6.28. Appointment of Regulatery Bedy CITIZENS ADVISORY 4 GROUPS APPOINTED IN ACCORDANCE WITH THE CHARTER OF HARFORD 5 COUNTY, MARYLAND. The Granting Authority may, SHALL, in the exercise of its 6 7 discretion, create a regulatory body to earry ONE OR MORE CITIZENS 8 ADVISORY GROUPS TO ASSIST THE GRANTING AUTHORITY IN CARRYING out  $9 \|$ fully and effectually, the responsibilities retained by the Grant $\div$  $10 \parallel$ ing Authority to insure performance, to set just and reasonable 11 rates so as to provide a reasonable return upon the fair value 12 of the Company's property used in rendering service to the public, 13 and such other and further duties and responsibilities as the 14 Granting Authority may see fit to grant. 15 SECTION 6.281. MODIFICATION OF FCC RULES AND REGULATIONS. (a) CONSISTENT WITH THE REQUIREMENTS OF RULE 76.31 OF THE 16 17 FEDERAL COMMUNICATIONS COMMISSION, ANY MODIFICATION OR AMENDMENT 18 TO THE RULES AND REGULATIONS THEREOF BY THE FEDERAL COMMUNICATIONS 19 COMMISSION SHALL, TO THE EXTENT APPLICABLE, BE INCORPORATED HEREIN 20 BY SPECIFIC AMENDMENTS WITHIN ONE (1) YEAR FROM THE EFFECTIVE 21 DATE OF THE FEDERAL COMMUNICATIONS COMMISSION'S AMENDMENT OR AT 22 THE TIME OF RENEWAL OF THIS FRANCHISE, WHICHEVER OCCURS FIRST. (b) APPOINTMENT OF A STUDY COMMITTEE. ON OR ABOUT THE 23 24 THIRTIETH DAY AFTER THE EFFECTIVE DATE OF THIS ACT, THE COUNTY 25 COUNCIL SHALL APPOINT FIVE (5) PERSONS TO SERVE ON THE HARFORD 26 COUNTY COUNCIL CABLE TV STUDY COMMITTEE FOR A PERIOD NOT TO THE STUDY COMMITTEE SHALL SUBMIT A REPORT 27 EXCEED SIX (6) MONTHS. 28 AND A RECOMMENDATION TO THE COUNTY COUNCIL WITHIN THE SAID SIX

29 (6) MONTHS PERIOD AFTER THE APPOINTMENT OF THE MEMBERS TO THE

#### 1 PAGE 599 **BOOK**

THE DEVELOPMENT AND DISTRIBUTION THROUGHOUT THE CABLE TELEVISION 2 SYSTEM OF LOCALLY PRODUCED COMMUNITY TV PROGRAMMING; THE 3 DISPOSITION OF COMPLAINTS; THE ASCERTAINMENT OF RESOURCES; 4 AVAILABILITY FOR EDUCATIONAL PROGRAM PRODUCTION; AND OTHER 5 RELEVANT TOPICS.

6 Section 6.29. Notices.

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Every direction, notice, or order to be served upon the  $8\|$ Company shall be sent to its office located in the County. Every 9 notice to be served upon the County and/or Granting Authority shall 10 be delivered, or sent by certified mail. The delivery or mailing 11 of such notice, direction, or order shall be equivalent to direct 12 personal notice, direction, or order and shall be deemed to have 13||been given at the time of delivery.

14 Section 6.30. Successors and Assigns.

All the provisions of this Article shall apply to the 16 Company, its successors, and assigns, as such may be approved by 17 the Granting Authority in accordance with this Article. 18 Section 6.31. Severability.

If any provision or provisions of this Act, or the 20 | particular application thereof, shall be held to be invalid, the 21 | remaining provisions and their application, shall not be affected 22||thereby. SHOULD ANY PROVISION HEREOF BE INCONSISTENT WITH ANY 23 RULE, REGULATION OR POLICY OF THE FCC OR ANY OTHER AGENCY HAVING 24 JURISDICTION, SUCH PROVISION SHALL BE INVALID BUT THE REMAINING 25 PROVISIONS AND THEIR APPLICATION SHALL NOT BE AFFECTED THEREBY. 26 Section 2. And Be It Further Enacted, that this Act shall take 27 effect sixty (60) days from the date it becomes law.

29 | EFFECTIVE: January 13, 1975 800K 1 MGE 600

## BY THE COUNCIL

Read the third time.
Passed LSD 74-38, November 12, 1974 (With Amendments)
Real and Xoan Exercise
By order
Angela Marlaushi, Secretary
Sealed with the County Seal and presented to the County Executive for his
approval this 13th day of November, 1974 at
11:30 o'clockA.M.
Anythe Markete, Secretary
BY THE EXECUTIVE
APPROVED:

Date: November 13, 1974

Charles B. Anderson, Jr., County Executive